YOUTH RESIDENTIAL TREATMENT

Definition

The *Montana Medicaid Mental Health Clinical Management Guidelines* (referred to hereafter as the *Clinical Management Guidelines)* define residential treatment as "a 24 hour non-acute treatment for active interventions directed at the amelioration of the specific impairments that led to the admission and thus to a degree of stabilization that permits safe return to the home environment and/or community-based services. Residential treatment services are provided by a professional, multi-disciplinary staff, based on a comprehensive treatment plan. Family therapy is an important component of the treatment in almost all cases. Medical and psychiatric services are readily available."

Residential treatment is a structured inpatient psychiatric program. As required in 42 CFR 440-160, the facility must be accredited as a residential treatment facility by the Joint Commission on Accreditation on Health Care Organizations; the Commission on Accreditation on Rehabilitation Facilities; or the Council on Accreditation. This program must be provided under the direction of a Board-eligible/certified child and adolescent psychiatrist or general psychiatrist with demonstrated experience in the treatment of children and adolescents. These services must be therapeutically appropriate and meet medical necessity criteria as established by the state and the federal government. Documentation requirements must meet both the requirements of the accrediting body and Medicaid guidelines.

Prior Authorization Reviews

All admissions for Youth Residential Treatment require prior authorization and must meet medical necessity criteria as defined in *Clinical Management Guidelines*. (Refer to page YRT-16 of this section for the Youth Residential Treatment *Clinical Management Guidelines*.) The request for prior authorization must be made at least 48 hours/two (2) business days prior to admission. A certificate of need (CON) process is necessary and must be performed by an independent team. (See page YRT-8 of this section for additional information regarding the CON.) An individual comprehensive service plan must be developed, implemented, and managed on an ongoing basis.

It should be noted that adolescents who appropriately require this level of care may have demonstrated unlawful or criminal behaviors. Therefore, this level of care may be court ordered as an alternative to incarceration. This court order does not automatically guarantee reimbursement by Montana Medicaid. Requirements for prior authorization, including but not limited to, determination of medical necessity must be met.

Additionally, if a recipient is an inpatient at a facility that offers both acute inpatient services and youth residential treatment, and the recipient is being transferred from

inpatient services to youth residential treatment *the transfer must be prior authorized* following the applicable authorization procedure.

Continued Stay Reviews

All Youth Residential Treatment services that extend beyond the initial authorization date must be authorized through a Continued Stay review. Discussion of the Continued Stay Review process begins on page YRT-6 of this section.

Retrospective Reviews

Youth Residential Treatment services are not subject to Retrospective Reviews by First Health Services of Montana unless otherwise requested by the Department of Public Health and Human Services.

Discharge Procedure

Upon recipient's discharge from any services for which prior authorization or continued stay reviews have been performed, the provider must complete a *Discharge Notification Form*. (See FORMS section of this manual). This form must be submitted to First health Services of Montana within five (5) business days after discharge.

Prior Authorization Procedure Elective Admissions

Definition:

A residential treatment admission is a scheduled admission that is subject to the choice or discretion of the recipient or the physician regarding medical services and/or procedures that are medically necessary and advantageous to the client, but not necessary to prevent death or disability. Prior authorization is required for all admissions to a residential treatment program.

Prior Authorization Procedure

1. The provider must verify the recipient's Medicaid eligibility.

2. The provider should notify First Health as soon as the need for admission is determined, but **must** notify First Health no later than 48 hours/two (2) business days prior to admission. This allows for timely completion of the pre-admission review process. This is a fax based notification process for submission of the request for prior authorization and pertinent information. (See FORMS section of this manual for the *Prior Authorization Request Form*.)

3. The provider must submit a completed and valid CON (see FORMS section) at least 48 hours/two (2) business days prior to admission. (See page YRT-I of this section for additional information regarding the CON). All CONs for Youth Residential Treatment require an additional signature of the intensive case manager employed by a mental health center (see ARM 37.88.1116).

NOTE: Reviews will not be completed until a valid CON is received.

4. The provider must submit a prior authorization request form by fax that includes demographic and clinical information. This information must be sufficient for the clinical reviewer to make a determination regarding medical necessity and must include:

    - Demographic information
        - Recipient's Medicaid ID number (MID)
        - Recipient's Social Security Number (SSN)
        - Recipient's name, date of birth, and sex
        - Recipient's address, county of eligibility, telephone number
        - Responsible party name, address, phone number
        - Hospital name, provider number, and planned date of admission

- Clinical Information
  - Prior inpatient treatment
  - Prior outpatient treatment/alternative treatment
  - Anticipated date of admission
  - Initial treatment plan
  - DSM IV diagnosis on Axis I through V
  - Medication history
  - Current symptoms requiring inpatient care
  - Chronic behavior/symptoms
  - Appropriate medical, social, and family histories
  - Proposed aftercare placement/community–based treatment
  - Completed CON as required in ARM 37.88.1116 (3) and 42 CFR 142.512.

  See discussion regarding CON procedures for specific requirements (Pages YRT 8-10 of this manual).

5. The recipient's treatment must be documented to meet all three (3) of the following criteria:

   1) Ambulatory resources in the community do not meet the treatment needs of the recipient (42CFR 441.152 [a][1]).

   2) Proper treatment of the recipient's psychiatric condition requires services on an inpatient basis under the direction of a physician advisor (42CFR 441.152 [a][2]).

   3) The services can reasonably be expected to improve the recipient's condition or prevent further regression so that the services will no longer be needed (42CFR 441.152 [a][3]).

6. Upon fax receipt of the above documentation, First Health's clinical reviewer will complete the review process as demonstrated in the *Prior Authorization for Youth Residential Treatment Flow Chart* (Appendix A).

   - The authorization review will be completed within two (2) business days from receipt of the original review request and clinical information, providing the information submitted is sufficient for the clinical reviewer to make a determination regarding medical necessity.

     - If the reviewer determines that additional information is needed to complete the review, the provider must submit the requested information within five (5) day of the request for additional information, and
     - The authorization review will be completed within two (2) business days from receipt of additional information.

7. If medical necessity is met **and** the CON has been completed at least 48 hours/two (2) business days prior to admission, the First Health reviewer will authorize the admission and generate notification to all appropriate parties.

8. If medical necessity is not met, then the case is deferred to a board-certified psychiatrist in the First Health National Clinical Review Center for review and determination.

Residential Treatment Facility—Out of State

A request for authorization for an out-of-state residential treatment facility must meet all of the above requirements and verification of unavailability of in-state services from each of the in-state facilities per ARM 37.88.910(2). Residential treatment will not be determined to be unavailable unless the youth has been screened for placement by all enrolled in-state facilities and denied admission because the facility cannot meet the youth's clinical and/or treatment needs. First Health Services of Montana will not begin a pre-admission review for or certify an admission to an out-of-state residential treatment facility until written verification of in-state denials are concurrently submitted.

Continued Stay Reviews for Youth Residential Treatment

Definition:

A continued stay review is a review of currently delivered treatment to determine ongoing medical necessity for a continued level of care.

Reviews of requests for continued stay authorization are based on updated treatment plans, progress notes and recommendations of the individual's treatment team. Continued stay requests require prior authorization and must meet the medical necessity criteria as defined in the *Clinical Management Guidelines.* (Refer to page YRT-16 of this section for the Youth Residential Treatment *Clinical Management Guidelines*).

Length of Stay

First Health Services of Montana will conduct continued stay reviews for all medically necessary stays in the youth residential treatment that extend beyond the number of days initially authorized. Each continued stay review may permit authorization of up to an additional 60 days of youth residential treatment when medical necessity is determined. Subsequent continued stay reviews will occur until the recipient is discharged from the facility or medical necessity is no longer met.

Procedure

1. The provider facility is responsible for contacting First Health by fax five (5) business days prior to the termination of the initial certification.

2. The provider must submit the following information to complete a continued stay review:

    - Continued Stay Authorization Request form (see FORMS section)
    - Changes to current DSM-IV diagnosis on Axis I through V
    - Justification for continued services at this level of care
    - Behavioral Management interventions/Critical Incidents
    - Assessment of treatment progress related to admitting symptoms and identified treatment goals

- Current list of medications or rationale for medication changes, if applicable

- Projected discharge date and clinically appropriate discharge plan, citing evidence of progress toward completion of that plan

- CON recertification.

    - The First Health of Montana *Continued Stay Authorization Request* form, when completed in its entirety may serve as the CON recertification as required under 42 CFR 456.60. See discussion of **Recertification** under **Certificate of Need**, page YRT-9 of this section).

3. Upon fax receipt of the above information, First Health's clinical reviewer will complete the continued stay review process as demonstrated in the *Continued Stay Review Flow Chart* (Appendix B).

    - The continued stay review will be completed within two (2) business days from receipt of the original review request and clinical information, providing the information submitted is sufficient for the clinical reviewer to make a determination regarding medical necessity.

        - If the reviewer determines that additional information is needed to compelte the review, the provider must submit the requested information within five (5) days of the request for additional information; and

        - The continued stay review will be completed within two (2) business days from receipt of additional information.

4. If medical necessity is met, the First Health reviewer will authorize the continued stay and generate notification to all appropriate parties.

5. If medical necessity is not met then the case is deferred to a Board-certified psychiatrist in the First Health National Clinical Review Center for review and determination.

CERTIFICATE OF NEED

Definition:

A Certificate of Need (CON) is a state and federal requirement (ARM 37.88.1116, 42 CFR 441.152 and 441.153) for documentation for inpatient hospitalization for Medicaid recipients under age 21. An interdisciplinary team of physicians and other personnel who have knowledge of the youth's psychiatric condition and treatment needs complete the CON. The CON certifies that:

1) Ambulatory resources in the community do not meet the treatment needs of the recipient (42CFR 441.152 [a][1]).

2) Proper treatment of the recipient's psychiatric condition requires services on an inpatient basis under the direction of a physician advisor (42CFR 441.152 [a][2]).

3) The services can reasonably be expected to improve the recipient's condition or prevent further regression so that the services will no longer be needed (42CFR 441.152 [a][3]).

NOTE: Reviews will not be completed until a valid CON is received.

Residential Treatment Admission CON Procedure

According to 42 CFR 441.153 the team certifying need for services under Sec. 441.153 of this CFR, must be made by teams specified as follows:

(a) For an individual who is a recipient when admitted to a facility or program, certification must be made by an independent team that

(1) Includes a physician;

(2) Has competence in diagnosis and treatment of mental illness, preferably in child psychiatry; and

(3) Has knowledge of the individual's situation.

For recipient's determined Medicaid eligible by the Department as of the time of admission to the facility, ARM 37.88.1116 3(a) requires that the certificate of need must:

(i) be completed, signed and dated prior to, but no more than 30 days before admission: and

(ii) be made by an independent team of health care professionals that has competence in diagnosis and treatment of mental illness and that has knowledge of the recipient's situation, including that recipient's psychiatric condition. The team must include a physician that has competence in the diagnosis and treatment of mental illness, preferably in child psychiatry, a licensed mental health professional and, for residential psychiatric care, an intensive case manager employed by a mental health center.

The independent team will complete the CON and submit it with the request for prior authorization. (Submission should occur as soon as the need for admission is determined, but **must** occur no later than 48 hours/two (2) business days prior to admission.) The provider must maintain the original CON and provide a copy to First Health.

If the youth is transferred from acute inpatient to youth residential treatment within the same facility, the CON may be completed by the facility based team responsible for the plan of care provided that the CON has been signed by an intensive case management employed by a mental health center and the admission has been prior authorized by First Health Services of Montana.

During the prior authorization review, First Health will ensure that the physician signing the CON is eligible to do so per federal and state CON requirements. First Health will verify that the CON was received and complete before entry into the database. Prior authorization is dependent upon not only meeting medical necessity, but also completion of the CON no later than 48 hours/two (2) business days prior to admission.

Recertification of the CON

42 CFR 456.60(b) requires recertification of the CON for inpatient care for each applicant/recipient. Recertification of the necessity of continued inaptient services in a hospital may be made by:

- A physician.
- Must be made at least every 60 days after certification (42 CFR 456.60[b]).

The CON recertification for Youth Residential Treatment is integrated into the request for Continues Stay Review form. When this form is completed in its entirety, it may serve to fulfill the CON recertification requirements as stated above.

DETERMINATIONS

Upon completion of the review, one of the following determinations will be applied and notification will be made as outlined in **Notification Process** of this section:

1) **Authorization**:

   An authorization determination indicates that utilization review resulted in approval of all provider requested services and /or service units and a prior authorization number is issued.

2) **Pending Authorization**:

   Indicates that a First Health Services of Montana reviewer or First Health psychiatrist has requested additional information from the provider. The provider will have five (5) days to provide any additional information needed to make a payment determination.

3) **Partial Approval**:

   Partial approval is considered an adverse payment determination indicating that the request does not meet the appropriate Medicaid criteria to justify Medicaid payments for the level or complete duration of services requested. Only a First Health psychiatrist may issue a partial approval. Partial approvals are subject to the First Health Services of Montana Appeal process.

4) **Denial**:

   The request for authorization of payment does not meet the appropriate Medicaid medical necessity criteria to justify Medicaid payment for the services requested. Authorization for payment is denied. Only a First Health psychiatrist may issue a denial. Denials are subject to the First Health Services of Montana Appeal process.

5) Technical Denial (Administrative Denial):

A prior authorization review was not administered on medical necessity criteria as a result of provider Medicaid protocol non-compliance. Non-compliance indicates that the request and/or information was out of specified timeframes or was incomplete. Technical denials may be appealed to the Children's Mental Health Bureau within 30 days of date of notification.

> ***NOTE:*** The ARM specifically states, "An authorization by the department of its utilization review under this rule is not final or conclusive determination of medical necessity and does not prevent the department or its agents from evaluating or determining the medical necessity of services or items at any time."

NOTIFICATION PROCESS

First Health Services of Montana recognizes the importance of prompt notification to all relevant parties with regard to authorizations and denials. "Relevant parties" is defined as beneficiaries, families or guardians of beneficiaries, requesting providers, and the Department. When appropriate, First Health Services of Montana will notify the Regional Care Coordinator to assist in the transition to other levels of care.

First health Services of Montana will implement a two-step notification process, providing both informal and formal notification.

Informal Notification

Informal notification will be completed via facsimile on a daily basis and will include an:

- **Outcome report to the department of all determinations, regardless of region or provider**
- Outcome report of all determinations will be given to each provider (provider specific information only)
- Outcome report of all determinations will be provided to the Regional Care Coordinator (region specific only).

The above outcome reports are generated and transmitted via facsimile by 9:00 AM Mountain Time on the next business day.

Formal Notification

Formal notification will be made providing all relevant parties with a hardcopy determination sent by US Mail.

- Authorization determinations will be mailed by regular US mail
- Denial determinations (technical denial or denial for medically unnecessary) will be mailed certified, return receipt mail and tracked to ensure delivery.
- Notifications for technical denials will include:
- Dates of service that are denied a payment recommendation because of non-compliance with Administrative Rule

- Reference applicable to federal and/or state regulations
- An explanation of the right of the parties to request an Appeal
- Name and address of person to contact to request an Appeal
- A brief statement of the First Health Services of Montana's contractual responsibility to the State of Montana for utilization reviews
- Notifications for denial determinations for medically unnecessarily treatment/services will include:
- Dates of service that are denied a payment recommendation because the services in question are considered medically unnecessary according to Medicaid criteria or protocols
- Case specific denial rationale based on the medical necessity criteria upon which the determination was made
- Reference federal and/or state regulations governing the review process
- Date of notice of First Health Services of Montana's decision which is the date of printing and mailing; and/or the date of the confirmed facsimile transmission
- An explanation of the right of the recipient (or legal guardian), the psychiatrist/physician, and/or the provider to request an Appeal
- Name and address of person of office to contract to request an Appeal
- A brief statement of First Health Services of Montana's contractual responsibility to the State of Montana for utilization reviews

FIRST HEALTH SERVICES OF MONTANA
APPEAL PROCESS

Definition

Appeal—Consumer, provider, or agent's challenge of a denial. Appeal may be indicated through the use of any one of the following terms: Appeal, Administrative Review, Reconsideration, or Fair Hearing.

Process

All adverse determinations are made by Board-certified psychiatrists. The First Health Services of Montana review process is designed to take advantage of the Montana-specific knowledge of treatment availability, access, and program strengths that the Montana physician panel brings to the determination process. Therefore, First Health Services of Montana will defer appeals to a Montana-based physician for final determination whenever possible. First Health's panel includes a sufficient number of psychiatrists certified by the American Board of Psychiatry and Neurology so that all appeal determinations will be completed by a psychiatrist not involved in the original adverse determination. This process allows for a choice of a peer-to-0peer or a desk-based review using the following process:

a. Upon receipt of an adverse determination, the recipient or recipient's guardian or the provider/facility may request an appeal of the adverse determination.

b. The request for appeal must be received at the First Health Services of Montana, Helena office within 30 day of the date of receipt of the determination notice.

c. The request for appeal must specify the option of peer discussion/review or desk review. Any additional information to be considered must be included with the request.

Peer-to-Peer Discussion/Review:
Scheduling of peer reviews must be requested and coordinated through the First Health Services of Montana, Helena office. To permit completion of the appeal process within five (5) business days of receipt of the request, the peer-to-peer discussion will be requested and must be completed within 72 hours/three (3) business days of receipt of the request.

Desk Review:

A desk review will be performed whenever a peer review has not been requested or when the request for appeal does not specify peer discussion or desk review.

d. First Health Services of Montana completes the appeal review within five (5) business days of the receipt of the request. A Board-certified psychiatrist, who has no prior knowledge of the case of professional relationship or ties with the provider, completes the reconsideration review. Whenever possible, Montana licensed and based Board-certified psychiatrists will complete these reviews.
e. All final determinations include rational for the determination based upon the applicable federal and state regulations, and include instructions as to the rights of further appeal.
f. The determination rendered by the appellate physician performing the review will, in all cases, stand as the final First Health Services of Montana decision.
g. If the appeal review upholds by the adverse determination, the rights of the provider and/or beneficiary to an administrative review or reconsideration with the Montana Department of Public Health and Human Services will be included in the formal notification. First Health Board-certified psychiatrists may provide input regarding the determination rationale, application of federal and state regulations, and other relevant information.

Please refer to Appendix C for the *First Health Services of Montana Appeal Process* Flow Chart.

Notification Process—Appeal Determinations

In accordance with state and federal policy, First Health Services of Montana will provider written notification of the appeal determination to the recipient or recipient's legal guardian and the provider/facility of their right to the next level of appeal. Notification will include those elements as discussed in the **"Notification Process"** of this section.

Fair Hearing Process

First Health will be available to participate in the Medicaid Fair Hearing process to provide testimony related to the determination under appeal and will provide copies of all documentation and correspondence related to the determination under appeal.

Please refer to the notification letter for detailed instructions regarding Appeals/Reconsiderations/Administrative Review/Fair Hearing processes.

YOUTH RESIDENTIAL TREATMENT
CLINICAL MANAGEMENT GUIDELINES

First Health Services of Montana will employ the use of *the Montana Medicaid and Clinical Management Guidelines* strictly as guidelines. This practical application, coupled with professional judgement based on clinical expertise and national best practices, will enhance the rendering of authorization decisions for the child/adolescent age populations.

Psychiatric residential treatment services are provided 24 hours per day, 7 days per week, in an appropriately licensed facility staffed by a multi-disciplinary team of licensed and credentialed professionals and professionally supervised paraprofessionals. Treatment is provided in a secure environment allowing for the restrictive level of care necessary for the well being and safety of the patient and others.

Patients are evaluated by a physician who documents the patient's clinical history and the results of the professional's examination. The course of treatment and the patient's response to the treatment efforts must be thoroughly documented in records consistent with the standards of JCAHO and/or state licensing requirements. Records must reflect the initiation of discharge planning at the time of admission.

Admission Criteria

A covered DSM-IV diagnosis as the principal diagnosis and a determination that the youth has a serious emotional disturbance. In addition, all of the following must be met:

1. Symptoms or functional impairments of the individual's emotional disturbance are of a severe and persistent nature and require 24-hour treatment under the direction of a physician.
2. Less restrictive services are documented to be insufficient to meet the individual's severe and persistent clinical and treatment needs. The prognosis for treatment at this inpatient level of care can reasonably be expected to improve the individual's condition or prevent further regression based upon the physician's evaluation.
3. The treatment plan includes the active participation of the parent(s) or legal guardian and all active pre-admission caregivers.
4. If a compromised academic performance is part of the clinical presentation, an individualized educational plan (IEP) is in place from the individual's school district, **OR** the treatment plan includes a referral for an IEP in writing to the home district.
5. A comprehensive discharge plan and estimated length of stay will be developed upon admission identifying appropriate services to be provided necessary to meet he individual's needs at a less restrictive level of care.

Continued Treatment Criteria (must meet all of the following)

1. The individual continues to meet all Admission Criteria.
2. The individual was seen and evaluated by physician within 24 hours of admission. The medical record documents progress toward identified treatment goals and the reasonable likelihood of continued progress as indicated by objective behavioral measurements of improvement.
3. The individual and family, if appropriate, are demonstrating documented progress toward identified treatment goals and are cooperating with the plan of care.
4. Demonstrated and documented progress is being made on a comprehensive and viable discharge plan. The Treatment Team provides a clinical rationale for any recommended changes in the discharge plan or anticipated discharge date.

Discharge Criteria (must meet at least one of the following)

1. Treatment of the individual's emotional disturbance no longer requires 24-hour direction by a physician; or
2. The individual's clinical and treatment needs can be met in a less restrictive setting; or
3. The Individual Treatment Plan goals have been sufficiently met such that the individual no longer requires this level of care; or
4. The beneficiary voluntarily leaves the program or the beneficiary's parent or legal guardian removes them from the program.